



S. 863 – Emergency and Disaster Assistance Fraud Penalty Enhancement Act of 2007

FLOOR SITUATION

S. 863 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Senator Jeff Sessions (R-AL), and passed the Senate by unanimous consent on December 14, 2007. The bill was referred to the House Committee on the Judiciary, but was not considered.

**Note: Representative Steve Chabot (R-OH) introduced similar legislation (H.R. 846) on February 6, 2007. H.R. 846 was referred to the House Committee on the Judiciary, but was not considered.*

S. 863 is expected to be considered on December 18, 2007.

SUMMARY

S. 863 creates a new federal crime for defrauding the Federal government in connection with a major disaster declaration or an emergency declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

In addition, it increases penalties for wire and mail fraud following a disaster declaration under the Stafford Act.

S. 863 requires the Sentencing Commission to publish sentencing guidelines for increased penalties for these offenses, and to report to Congress actions taken on publicizing the new sentencing guidelines and any additional policy recommendations for combating this kind of fraud.

BACKGROUND

According to the Senate Judiciary Committee Report, approximately \$62.3 billion in disaster assistance has been appropriated to aid the victims of Hurricanes Katrina, Wilma, and Rita. During the recovery from these hurricanes, there have been numerous reports of waste, fraud, and abuse related to the disaster assistance efforts.

According to a [Government Accounting Office report from March 2007](#), the Federal Emergency Management Administration had identified approximately \$290 million in overpayments, but had only collected about \$7 million.

COST

According to the Congressional Budget Office, “CBO estimates that implementing S. 863 would have no significant cost to the federal government. Enacting the bill could affect direct spending and revenues, but CBO estimates that any such effects would not be significant.”

STAFF CONTACT

For questions or further information contact Conference Policy Office at (202) 226-2302.